REMARKS/ARGUMENTS

Favorable reconsideration of this application is respectfully requested.

Claims 24-33, 35-46 and 61-64 are active in this case. Claims 24-33, 35-46 and 29-46 are amended, Claims 47-60 are cancelled without prejudice or disclaimer, and Claims 61-64 are added by the present response. Support for amendments and additions to the claims is found in the disclosure as originally filed. Thus, no new matter is added.

In the outstanding Office Action, Claims 24-27, 29-31, 33, 35, 37-39, 42-44, 47, 49, 51-53 and 56-58 were rejected under 35 U.S.C. §103(a) as unpatentable over ISO/IEC in view of Bruls et al. (U.S. Pat. Pub. No. 2006/0098937, herein "Bruls") and Yahata et al. (U.S. Pat. Pub. No. 2009/0010614, herein "Yahata"); Claim 28 was rejected under 35 U.S.C. §103(a) as unpatentable over ISO/IED, Bruls and Yahata in further view of Kelly et al. (U.S. Pat. Pub. No. 2002/0191625); Claims 32, 34, 40, 45, 48, 54 and 59 were rejected under 35 U.S.C. §103(a) as unpatentable over ISO/IED, Bruls and Yahata in view of Kim et al. (Fine Grain Scalability in MPEG-4 Audio, Audio Engineering Society, 111th Convention of the AES, 24 Sept 2001, Pages 1-5, herein "Kim"); Claims 36, 41, 46, 50, 55 and 60 were rejected under 35 U.S.C. §103(a) as unpatentable over ISO/IED, Bruls and Yahata in view of Wu et al. (U.S. Pat. No. 6,614,936, herein "Wu").

With regard to the response to arguments section in the outstanding Action,
Applicants continue to maintain the support for the claimed invention is found in the
Japanese priority document. Nevertheless, in order to further prosecution, Applicants have amended the independent claims and, as a result, the outstanding rejection is overcome for this additional reason.

Addressing now the rejection of Claims 24-27, 29-31, 33, 35, 37-39, 42-44, 47, 49, 51-53 and 56-58 under 35 U.S.C. §103(a) as unpatentable over <u>ISO/IEC</u>, <u>Bruls</u>, and <u>Yahata</u>, Applicants respectfully traverse this rejection. In addition, the independent claims incorporate

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features previously recited in cancelled dependent Claim 34, which the Action asserts are disclosed by <u>Kim</u>, Applicants also respectfully traverse this assertion.

Claim 24 recites, in part,

encoding means for encoding an input stream so as to include, among a base stream and <u>at least one</u> extension <u>stream</u> having extensibility for the base stream, at least the base stream and a first extension stream;

adding means for adding transport priority information that indicates priority and respectively distinguishes the base stream from the <u>at least one</u> extension <u>stream</u>, which are encoded by the encoding means, to the base stream and the <u>at least one</u> extension <u>stream</u>; and

packetizing means for packetizing the base stream and the <u>at least one</u> extension <u>stream</u>, to which the transport priority information is added by the adding means, into TS packets,

wherein the encoding means encodes the TS packets forming the base stream and the TS packets forming the at least one extension stream, which are included in the input stream, so that the TS packets, to be played back at the same time, are arranged in sequence in the order of the TS packets forming the base stream and the TS packets forming the at least one extension stream.

Claims 25-27, 29-31, 33, 37-39 and 42-44 recite similar features with regard to the TS packets forming the base stream and the TS packets forming the at least one extension stream, which are included in the stream, being encoded so that the TS packets, to be played back at the same time, are arranged in sequence in the order of the TS packets forming the base stream and the TS packets forming the at least one extension stream.

<u>ISO/IEC</u> describes a standard for MPEG and describes synchronization and multiplexing of video and audio. Further, <u>ISO/IEC</u> describes that transport stream packets begin with a 4 byte prefix, which contains a 13 bit Packet ID (PID).

<u>Bruls</u> describes a method for handling layer digital video streams comprising a base layer stream and an enhancement layer stream. Further, <u>Bruls</u> describes that packets of the base layer and the enhancement layer each are allocated their own PID number.

Yahata describes an information storage medium in which a stream includes basic data and extension data.

Kim describes a fine grain scalability tool for MPEG-4 audio. Further, Kim describes a bit slicing scheme in which quantized spectral values are grouped into frequency bands.

The bits are then processed according to the spectral content and from most significant bit (MSB) to least significant bit (LSB).

However, the combination of <u>ISO/IEC</u>, <u>Bruls</u>, <u>Yahata</u> and <u>Kim</u> does not describe or suggest that the encoding means encodes the TS packets forming the base stream and the TS packets forming the at least one extension stream, which are included in the input stream, so that the TS packets, to be played back at the same time, are arranged in sequence in the order of the TS packets forming the base stream and the TS packets forming the at least one extension stream.

The Action appears to acknowledge on pages 63-64 that <u>ISO/IEC</u>, <u>Bruls</u>, and <u>Yahata</u> fail to disclose that the encoding means encodes the TS packets forming the base stream and the TS packets forming the at least one extension stream, which are included in the input stream, so that the TS packets, to be played back at the same time, are arranged in sequence in the order of the TS packets forming the base stream and the TS packets forming the at least one extension stream.

Nevertheless, the Action relies on <u>Kim</u> as disclosing this feature of the claimed invention.

In particular, the Action asserts that page 3 and Figure 3 of <u>Kim</u> discloses that "the base and enhancement layers of a transmitted bit stream for a timeslot/frame are multiplexed in layer order with the base stream first, followed by each extension stream in order of significance."

However, Applicants respectfully traverse that <u>Kim</u> discloses that the TS packets, *to be played back at the same time*, are arranged in sequence in the order of the TS packets forming the base stream and the TS packets forming the at least one extension stream. In other words, in Bit Sliced Arithmetic Coding (BSAC), all MSB of the quantized values are included in layer 1, and then all of the next MSB of the quantized values are included in layer 2, etc., (see Figure 3 and page 3, first paragraph). Thus, <u>Kim</u> does not disclose that the TS packets, *to be played back at the same time*, are arranged in sequence in the order of the TS packets forming the base stream and the TS packets forming the at least one extension stream as is shown in a non-limiting example in Figures 23 and 28.

As a result of the claimed configuration, the number of buffers can be reduced as is shown in a non-limiting example in Figure 28 (compare with Figure 16). Thus, the cost of the system can be significantly reduced. This advantage is not provided by <u>Kim</u>.

Accordingly, Applicants respectfully submit that Claim 24, and similarly Claims 25-27, 29-31, 33, 37-39 and 42-44, and claims depending respectfully therefrom, patentably distinguish over any combination of ISO/IEC, Bruls, Yahata, and Kim.

In addition, with regard to newly added independent Claims 61-64, Applicants respectfully submit that these claims also patentably distinguish over <u>ISO/IEC</u>, <u>Bruls</u>, <u>Yahata</u>, and <u>Kim</u> for at least similar reasons as these claims also included similar features with regard to the TS packets forming the base stream and the TS packets forming the at least one extension stream, which are included in the stream, being encoded so that the TS packets, to be played back at the same time, are arranged in sequence in the order of the TS packets forming the base stream and the TS packets forming the at least one extension stream.

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Consequently, in view of the present amendment, and in light of the above discussion, the pending claims as presented herewith are believed to be in condition for formal allowance, and an early and favorable action to that effect is respectfully requested

Respectfully submitted,

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